



THIS BILL

Requires employers to provide a salary range on all job postings, and to make promotional opportunities available to current employees.

Additionally, this bill requires employers with 100 or more employees to publicly report pay data broken down by race, ethnicity, and sex for both direct employees and employees hired through a third-party staffing agency.

BACKGROUND

According to the most recent analysis of pay data, California women in 2020 lost \$46 billion due to the gender pay gap and people of color in the state lost \$61 billion due to the race pay gap.¹

Increasing pay transparency is a critical component to closing the wage gap, including at the hiring stage. Research shows that when job applicants are clearly informed about the context for negotiations, including the salary range, women are more willing to negotiate, more successful in negotiating, and the gender wage gap narrows.²

Providing job applicants the salary range for a position can also help an employer more efficiently and accurately match with

candidates whose salary requirements are aligned with what the employer can offer.

Promotion practices are also key to achieving equity in pay and in advancement opportunities. Posting publicly or announcing promotion opportunities internally to all employees helps ensure there is a wider and more diverse candidate pool and prevents discriminatory promotion practices that contribute to the gender and race wage gap.

In 2019, the Legislature passed SB 973, requiring employers with more than 100 employees to submit pay data reports to the Department of Fair Employment and Housing. That bill, however, did not require that this information be publicly available, and did not include a large and growing part of the modern workforce: temporary, contract, and contingent workers hired through third-party staffing agencies.

The need for more transparency around this workforce is clear. A recent study of multiple industries by Temp Worker Justice found that these workers fill many of the same jobs as direct hires, for a fraction of the pay and with fewer worker protections.³ Furthermore, the New York Times recently reported that Google's contract workforce actually outnumbers its direct-hires.⁴

¹ <https://www.sacbee.com/news/equity-lab/article255107112.html>

² See, e.g., Maria Recalde & Lise Vesterlund, Gender Differences in Negotiation and Policy for Improvement, National Bureau of Economic Research (Dec. 2020); Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, Constraints and Triggers: Situational Mechanics of Gender in Negotiations, 89 J. PERSONALITY & SOC. PSYCH. 951, 955-56 (2005)

³ <https://www.nelp.org/publication/temp-workers-demand-good-jobs/>

⁴ <https://www.nytimes.com/2019/05/28/technology/google-temp-workers.html>

Senate Bill 1162

Pay Transparency for Pay Equity Act



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The increased hiring of workers through third-party staffing agencies is representative of widening inequality as it often creates “an underclass of workers who are, by all appearances, working full-time but getting none of the benefits of full-time employment.”⁵

Expanding SB 973 requirements to workers hired through third-party staffing agencies is necessary to analyze this important pay data across multiple sectors of the economy.

PURPOSE

The research is clear: pay transparency is key to achieving pay equity. SB 1162 will prevent gender and race-based pay disparities by requiring pay transparency at every stage of the employment process, from hiring to promotion and ongoing employment. SB 1162 will also help close the wage gap by expanding the scope of pay data disclosure requirements to cover all contract workers, and to make this information publicly available.

We must increase pay transparency in order to narrow the gender and racial wage gap.

SUPPORT

Co-Sponsors:

California Commission on the Status of Women and Girls
California Employment Lawyers Association
Equal Rights Advocates
National Employment Law Project
TechEquity Collaborative

Support:

Alphabet Workers Union
California Dream Alliance
California Healthy Nail Salon Collaborative
California Labor Federation
California Work & Family Coalition
Clergy and Laity United for Economic Justice
Conference of Machinists
Conference of the Amalgamated Transit Union
Earthseed
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Employee Rights Center
Engineers and Scientists of CA, IFPTE Local 20, AFL-CIO
Friends Committee on Legislation of California
Kim Center for Social Balance
San Mateo Labor Council
Santa Barbara Women’s Political Committee
SEIU California
Stronger California Coalition
Teamsters
Temp Worker Justice
The Workers Lab
Trusaic
UNITE HERE, AFL-CIO
United Food and Commercial Workers (UFCW)
Western States Council
Utility Workers Union of America
Worksafe

⁵ <https://www.cnbc.com/2018/10/22/silicon-valley-using-contract-employees-to-drive-profits.html>

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